

# CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

212 HANOVER 2-3000

## TELEX

RCA 233663  
WUD 125547  
WUI 620976

## CABLE ADDRESSES

CRAVATH, N. Y.  
CRAVATH, PARIS  
CRAVATH, LONDON E. C. 2

RALPH L. MCAFEE  
HENRY W. DEKOSMIAN  
ALLEN F. MAULSBY  
STEWART R. BROSS, JR.  
HENRY P. RIORDAN  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
WILLIAM J. SCHRENK, JR.  
BENJAMIN F. CRANE  
FRANCIS F. RANDOLPH, JR.  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
RICHARD S. SIMMONS  
WAYNE E. CHAPMAN  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
JAMES H. DUFFY  
ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID G. ORMSBY  
DAVID L. SCHWARTZ  
RICHARD J. HIEGEL

FREDERICK A. O. SCHWARZ, JR.  
CHRISTINE BESHAR  
ROBERT S. RIFKIND  
DAVID BOIES  
DAVID O. BROWNWOOD  
PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE  
ROBERT F. MULLEN  
ALLEN FINKELSON  
RONALD S. ROLFE  
JOSEPH R. SAHID  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON  
RICHARD L. HOFFMAN  
JOSEPH A. MULLINS  
MAX R. SHULMAN  
WILLIAM P. DICKEY  
STUART W. GOLD  
JOHN W. WHITE  
JOHN E. BEERBOWER

No. 1  
Date NOV 10 1981  
Fee \$500

ICC Washington, D. C.  
RECORDATION NO. 12345-1 Filed 1425

NOV 10 1981 - 11 45 AM

INTERSTATE COMMERCE COMMISSION

November 10, 1981

COUNSEL  
MAURICE T. MOORE  
CARLYLE E. MAW

ROSWELL L. GILPATRIC  
ALBERT R. CONNELLY  
L. R. BRESLIN, JR.  
GEORGE B. TURNER  
FRANK H. DETWEILER  
GEORGE G. TYLER  
JOHN H. MORSE  
HAROLD R. MEDINA, JR.  
CHARLES R. LINTON  
WILLIAM B. MARSHALL  
ROYALL VICTOR  
ALLEN H. MERRILL

4, PLACE DE LA CONCORDE  
75008 PARIS, FRANCE  
TELEPHONE: 265-81-54  
TELEX: 290530

33 THROSMORTON STREET  
LONDON, EC2N 2BR, ENGLAND  
TELEPHONE: 1-606-1421  
TELEX: 6814901

4

*Ms. Lee  
this one so  
12345-1*

Trailer Train Company  
Equipment Trust Agreement Dated as of October 22, 1980  
Series 43

Filed Under Recordation No. 12345

Subordinated Security Agreement

*[Note: Second page - this also to be included under  
Mellon International Leasing Company, a new name]*  
Dear Madam:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Trailer Train Company for filing and recordation counterparts of the following document:

Subordinated Security Agreement dated as of November 1, 1981, between Mellon International Leasing Company\* as secured party, and Trailer Train Company, as Company.

Subordinated Security Agreement grants a subordinated security interest in the equipment covered by an Equipment Trust Agreement dated as of October 22, 1980, previously filed and recorded with the Interstate Commerce Commission on October 27, 1980, at 10:55 a.m., Recordation Number 12345, First Supplemental Agreement filed and recorded with the Interstate Commerce Commission on the date hereof, Recordation Number 12345-A.

*addres:  
\* The Mellon Bank Building  
Petto burger Pg 15-219*

18. NOV 11 01 NOV

Please note that Mellon International Leasing Company is a new party, and the document should be indexed under this name.

Please file and record the Subordinated Security Agreement submitted with this letter and assign it Recordation Number 12345-B.

Enclosed is a check for \$50 payable to the Interstate Commerce Commission for the recordation fee for the Subordinated Security Agreement.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,



Robert A. Kindler  
as Agent for Trailer Train Company

Agatha L. Mergenovich,  
Secretary,  
Interstate Commerce Commission,  
Washington, D.C. 20423

Encls.

12345-~~7~~ C  
RECORDATION NO. 12345-~~7~~ Filed 1425

NOV 10 1981 -11 45 AM

INTERSTATE COMMERCE COMMISSION

SUBORDINATED SECURITY AGREEMENT

Between

TRAILER TRAIN COMPANY

and

MELLON INTERNATIONAL LEASING COMPANY

Dated as of November 1, 1981

SUBORDINATED SECURITY AGREEMENT dated as of November 1, 1981, between TRAILER TRAIN COMPANY, a Delaware corporation (the "Lessee") and MELLON INTERNATIONAL LEASING COMPANY, a Pennsylvania corporation (the "Lessor").

The Lessee and the Lessor have entered into an Agreement dated as of the date hereof (the "Agreement") by the terms of which the Lessor is leasing, for Tax Purposes (as defined in the Agreement) only, certain property described therein (the "Property") to the Lessee.

The Lessee has agreed to execute and deliver a Subordinated Security Agreement for the benefit of the Lessor to secure performance of the Lessee's obligations under the Agreement.

NOW, THEREFORE, in consideration of the agreements hereinafter contained, the parties hereto hereby agree as follows:

SECTION 1. Definition of Terms.

(a) "Casualty Occurrence" shall mean, with respect to any unit of Collateral, that such unit shall have been assigned or transferred as provided in Section 9.1 of the Agreement or become worn out, lost, stolen, destroyed or, in the reasonable opinion of the Lessee, irreparably damaged from any cause whatsoever, or shall have been acquired by condemnation or otherwise by the United States Government or any other Governmental entity.

(b) "Collateral" shall mean the items of Property described in Appendix A to this Subordinated Security Agreement and any item of property substituted therefor in accordance with Section 8 hereof.

(c) "Engineer's Certificate" shall mean a certificate signed by the President or a Vice-President of the Lessee or by any other officer or employee of the Lessee qualified to estimate the fair market value of units of railroad equipment.

(d) "Obligations" shall include all obligations, due or to become due, of the Lessee to the Lessor pursuant to the Agreement, other than the Lessee's obligations to make Primary Rental Payments, Casualty Payments (to the extent that a right of set off is provided in Section 1.3 of the Agreement) and Primary Option Payments.

(e) "Payment in Full" shall mean payment in full and satisfaction of all obligations of the Lessee under the Prior Interest and payment in full of the principal of and interest on the trust certificates issued with respect to the Prior Interest.

(f) "Prior Interest" shall mean the rights and interests of the Trustee and all obligations, due or to become due, of the Lessee under the Equipment Trust Agreement dated as of October 22, 1980, between Continental Illinois National Bank and Trust Company of Chicago, as trustee, and the Lessee (the "Trust Agreement") establishing the "Trailer Train Equipment Trust, Series 43", to which the Collateral is subject.

(g) "Proceeds" shall mean whatever is received by the Lessee, after Payment in Full, when Collateral is sold, exchanged, leased, collected or otherwise disposed of.

(h) "Trustee" shall mean the trustee under the Prior Interest.

(i) Unless otherwise specifically set forth herein, capitalized terms shall have the meanings set forth in the Agreement.

SECTION 2. Security Interest. As security for the performance of the Lessee's Obligations, the Lessee hereby grants to the Lessor a security interest in the Collateral and the Proceeds; provided, however, that the Lessor hereby agrees that such security interest shall in all respects be subject and subordinate to the Prior Interest as set forth in Section 5 hereof.

SECTION 3. Liens; Possession and Use. The Lessee covenants with the Lessor that the Lessee will protect and defend the security interest of the Lessor granted hereby from and against all other liens, claims, encumbrances, set-offs, defenses, counterclaims and other charges against or in respect of the Collateral and the Proceeds, other than those arising from the Prior Interest, and other than liens for taxes, assessments or governmental charges or levies, in each case not due or delinquent or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent. The Lessee shall not sell, further suffer liens on or otherwise dispose of the Collateral or the Proceeds or any interest therein, except as permitted by Section 8 hereof.

SECTION 4. Use of the Collateral and Proceeds.

Until an Event of Default shall have occurred, the Lessee may use and deal with the Collateral and the Proceeds in any lawful manner in the ordinary course of its business; provided, however, that no such use or dealing shall be inconsistent with the terms or provisions of the Agreement.

SECTION 5. Subordination. The Lessor hereby

agrees that the security interest granted to it under Section 2 hereof shall in all respects be subject and subordinate to the Prior Interest. In furtherance of the foregoing, the Lessor and the Lessee agree (for the benefit of the Trustee under the Prior Interest) that unless and until Payment in Full the Trustee shall be entitled to sell, transfer or otherwise dispose of or deal with the Collateral and the Proceeds as provided in the Prior Interest without regard to the security interest of the Lessor herein, or any rights to which the Lessor would otherwise be entitled pursuant to such security interest. The Lessor further agrees that it shall not, and shall not attempt to, exercise any right with respect to the Collateral or the Proceeds, whether pursuant to this Subordinated Security Agreement or otherwise, until Payment in Full. The Trustee shall not have any duty to the Lessor in respect of, and the subordination provisions contained herein shall not be affected by (i) any revision, waiver, amendment or modification of the Prior Interest or the indebtedness issued in respect thereto, (ii) any exercise or nonexercise of any right, remedy, power or privilege under or in respect of the Prior Interest or (iii) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding of, or effected by, the Lessee. The Lessee shall deliver a copy of this Subordinated Security Agreement to the Trustee and in doing so shall request the Trustee after Payment in Full to deliver to the Lessor any Collateral or Proceeds then held by the Trustee.

SECTION 6. Conflicting Interest. The Lessee

covenants with the Lessor that, except with respect to the Prior Interest, the Lessee will protect and defend the security interest of the Lessor granted hereby from and against all other liens, claims, encumbrances and other charges against or in respect of the Collateral or Proceeds in the manner and as provided in the Prior Interest.

SECTION 7. Remedies on Default. The Lessor shall have no rights to the Collateral or Proceeds (i) unless the Collateral is sold pursuant to the terms of the Prior Interest or (ii) until the obligations of the Lessee under the Prior Interest are satisfied and title to the Collateral vests in the Lessee. Subject to the foregoing and Section 5 hereof, if, upon the occurrence of an Event of Default or thereafter, the Collateral or any part thereof should be sold at public sale, the proceeds therefrom shall be applicable first to satisfy the obligations of the Lessee to the Trustee under the Prior Interest; second, to the extent any surplus of any such sale shall exist, to satisfy the Obligations of the Lessee to the Lessor; and third, to the extent any surplus of any such sale shall exist after the above-mentioned Obligations shall have been satisfied, to pay such surplus to the Lessee.

SECTION 8. Substitution of Collateral; Casualty Occurrences. (a) Prior to Payment in Full, the Lessee shall be permitted to substitute and replace the Collateral hereunder subject to the same terms and conditions contained in Section 5.06 of the Trust Agreement.

(b) After Payment in Full, upon the written request of the Lessee, the Lessor shall, at any time and from time to time, execute and deliver a release or releases assigning and transferring to the Lessee all of the right, title and interest of the Lessor in and to any Collateral; provided, however, that no unit of the Collateral shall be so released unless another unit of railroad equipment having a substantially equal fair market value at such time shall be simultaneously subjected to the terms of this Subordinated Security Agreement by means of a supplement hereto. At the time of the delivery of any request for a release pursuant to the preceding sentence, the Lessee shall deliver to the Lessor an Engineer's Certificate stating that each unit proposed to be subjected to the terms of this Subordinated Security Agreement has a fair market value substantially equal to or greater than that of each unit for which release is requested.

SECTION 9. Reports and Information. (a) Prior to Payment in Full, the Lessee shall deliver to the Lessor copies of each report required to be furnished pursuant to Section 5.08 of the Trust Agreement.

(b) On or before April 1 in each year, commencing with the calendar year following Payment in Full, the Lessee shall furnish to the Lessor an accurate statement setting forth as at the preceding December 31 the description and numbers for each unit of Collateral then subject to this Subordinated Security Agreement, and the description and numbers of each unit of Collateral that shall have suffered a Casualty Occurrence during the preceding calendar year and such other information regarding the condition of the Collateral as the Lessor may reasonably request. The Lessor and its agents and employees shall have the right, once each calendar year, to inspect the Lessee's records and information system regarding the location of each item of Collateral, and shall have the right to inspect the Lessee's premises where any item of Collateral is located for the purpose of inspecting such item, at all reasonable times during normal business hours upon prior written notice to the Lessee and subject to the Lessee's secrecy, security and safety regulations generally applicable to third parties regarding the Collateral involved; provided, however, that the Lessee shall not be obligated to interrupt the use of any unit in normal operations nor shall the Lessee be liable for any injury to, or the death of, any agent or employee of the Lessor incurred while exercising any such right to inspect the Collateral under the preceding provision of this sentence.

SECTION 10. Release of Collateral. Upon the earlier of (i) payment in full by the Lessee to the Lessor of the Casualty Value of any item of Property or (ii) the end of the Lease Term with respect to any item of Property, such item of Property shall be released from the security interest created by this Subordinated Security Agreement. Upon such release, the Lessor agrees to take such further actions, including the execution and delivery of amendments to Appendix A hereto, and to cause such amendments to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, as may be reasonably requested by the Lessee for the purpose of effectuating such release.

SECTION 11. General Agreements.

(a) The Lessee will cause this Subordinated Security Agreement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303.

(b) This Subordinated Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.



(c) This Subordinated Security Agreement may be executed in several counterparts, such counterparts together constituting but one and the same instrument and it shall not be necessary that any counterpart be signed by both parties hereto so long as each party hereto shall have executed one counterpart hereof, in which case this Subordinated Security Agreement shall become effective upon delivery by both parties of a signed counterpart hereof to counsel for the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Subordinated Security Agreement to be duly executed by their duly authorized officers or other persons as of the date first above written.

TRAILER TRAIN COMPANY,

by

[Corporate Seal]

  
Title *VICE PRESIDENT - FINANCE*

Attest:

  
Title: Assistant Secretary

MELLON INTERNATIONAL LEASING  
COMPANY,

by

[Corporate Seal]

\_\_\_\_\_  
Title:

Attest:

\_\_\_\_\_  
Title:

STATE OF Ill )  
 ) ss.:  
COUNTY OF Cook )

On this 9<sup>th</sup> day of November 1981, before me personally appeared N V Reicher, to me personally known, who, being by me duly sworn, says that he is Vice President - Finance of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J P Hodgins  
Notary Public

[Notarial Seal]

My Commission Expires December 27, 1983

STATE OF , )  
 ) ss.:  
COUNTY OF , )

On this            day of November 1981, before me personally appeared           , to me personally known, who, being by me duly sworn, says that he is            of MELLON INTERNATIONAL LEASING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

Description of Property Subject to  
Subordinated Security Agreement\*

<u>Builder</u>	<u>Description</u>	<u>Car Numbers</u>
Thrall Car Manufacturing Company	68', 100-ton capacity, hydraulic draft gear, flush-deck flatcar equipped with bulkheads	82710 82714-82716 82722 82726 82730 82735-82737 82739-82759
ACF Industries, Inc.	188'2", 4-deck intermodal flatcar with single-axle trucks and 4 hitches	60000-60051 60053, 60062 60064-60066 60068 (Decks A-D)
ACF Industries, Inc.	188'2", 4-deck intermodal flatcar with single-axle trucks and 4 Hitches	60052, 60054-60061 60063, 60067 60069-60100 (Decks A-D)
Whitehead & Kales	147' 1/2", 3-deck articulated intermodal flatcar with standard trucks and 3 Hitches	110011 (Decks A-C)
Pullman Standard Division	195' 10 3/4", 4-deck intermodal flatcar with single-axle trucks and 4 Hitches	110012

---

\* This Appendix A includes only those items of Property actually transferred by the Lessee to the Lessor for Tax Purposes pursuant to the Agreement. In the event that (i) the items of Property subject to the Agreement are different than the items included in this Appendix A or (ii) a substitution or release of Collateral occurs pursuant to Sections 8 and 10, respectively, of this Subordinated Security Agreement, this Appendix A shall be amended to reflect such difference, substitution or release, as the case may be.

---

SUBORDINATED SECURITY AGREEMENT

Between

TRAILER TRAIN COMPANY

and

MELLON INTERNATIONAL LEASING COMPANY

---

Dated as of November 1, 1981

---

SUBORDINATED SECURITY AGREEMENT dated as of November 1, 1981, between TRAILER TRAIN COMPANY, a Delaware corporation (the "Lessee") and MELLON INTERNATIONAL LEASING COMPANY, a Pennsylvania corporation (the "Lessor").

The Lessee and the Lessor have entered into an Agreement dated as of the date hereof (the "Agreement") by the terms of which the Lessor is leasing, for Tax Purposes (as defined in the Agreement) only, certain property described therein (the "Property") to the Lessee.

The Lessee has agreed to execute and deliver a Subordinated Security Agreement for the benefit of the Lessor to secure performance of the Lessee's obligations under the Agreement.

NOW, THEREFORE, in consideration of the agreements hereinafter contained, the parties hereto hereby agree as follows:

SECTION 1. Definition of Terms.

(a) "Casualty Occurrence" shall mean, with respect to any unit of Collateral, that such unit shall have been assigned or transferred as provided in Section 9.1 of the Agreement or become worn out, lost, stolen, destroyed or, in the reasonable opinion of the Lessee, irreparably damaged from any cause whatsoever, or shall have been acquired by condemnation or otherwise by the United States Government or any other Governmental entity.

(b) "Collateral" shall mean the items of Property described in Appendix A to this Subordinated Security Agreement and any item of property substituted therefor in accordance with Section 8 hereof.

(c) "Engineer's Certificate" shall mean a certificate signed by the President or a Vice-President of the Lessee or by any other officer or employee of the Lessee qualified to estimate the fair market value of units of railroad equipment.

(d) "Obligations" shall include all obligations, due or to become due, of the Lessee to the Lessor pursuant to the Agreement, other than the Lessee's obligations to make Primary Rental Payments, Casualty Payments (to the extent that a right of set off is provided in Section 1.3 of the Agreement) and Primary Option Payments.

(e) "Payment in Full" shall mean payment in full and satisfaction of all obligations of the Lessee under the Prior Interest and payment in full of the principal of and interest on the trust certificates issued with respect to the Prior Interest.

(f) "Prior Interest" shall mean the rights and interests of the Trustee and all obligations, due or to become due, of the Lessee under the Equipment Trust Agreement dated as of October 22, 1980, between Continental Illinois National Bank and Trust Company of Chicago, as trustee, and the Lessee (the "Trust Agreement") establishing the "Trailer Train Equipment Trust, Series 43", to which the Collateral is subject.

(g) "Proceeds" shall mean whatever is received by the Lessee, after Payment in Full, when Collateral is sold, exchanged, leased, collected or otherwise disposed of.

(h) "Trustee" shall mean the trustee under the Prior Interest.

(i) Unless otherwise specifically set forth herein, capitalized terms shall have the meanings set forth in the Agreement.

SECTION 2. Security Interest. As security for the performance of the Lessee's Obligations, the Lessee hereby grants to the Lessor a security interest in the Collateral and the Proceeds; provided, however, that the Lessor hereby agrees that such security interest shall in all respects be subject and subordinate to the Prior Interest as set forth in Section 5 hereof.

SECTION 3. Liens; Possession and Use. The Lessee covenants with the Lessor that the Lessee will protect and defend the security interest of the Lessor granted hereby from and against all other liens, claims, encumbrances, set-offs, defenses, counterclaims and other charges against or in respect of the Collateral and the Proceeds, other than those arising from the Prior Interest, and other than liens for taxes, assessments or governmental charges or levies, in each case not due or delinquent or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent. The Lessee shall not sell, further suffer liens on or otherwise dispose of the Collateral or the Proceeds or any interest therein, except as permitted by Section 8 hereof.

SECTION 4. Use of the Collateral and Proceeds.

Until an Event of Default shall have occurred, the Lessee may use and deal with the Collateral and the Proceeds in any lawful manner in the ordinary course of its business; provided, however, that no such use or dealing shall be inconsistent with the terms or provisions of the Agreement.

SECTION 5. Subordination. The Lessor hereby

agrees that the security interest granted to it under Section 2 hereof shall in all respects be subject and subordinate to the Prior Interest. In furtherance of the foregoing, the Lessor and the Lessee agree (for the benefit of the Trustee under the Prior Interest) that unless and until Payment in Full the Trustee shall be entitled to sell, transfer or otherwise dispose of or deal with the Collateral and the Proceeds as provided in the Prior Interest without regard to the security interest of the Lessor herein, or any rights to which the Lessor would otherwise be entitled pursuant to such security interest. The Lessor further agrees that it shall not, and shall not attempt to, exercise any right with respect to the Collateral or the Proceeds, whether pursuant to this Subordinated Security Agreement or otherwise, until Payment in Full. The Trustee shall not have any duty to the Lessor in respect of, and the subordination provisions contained herein shall not be affected by (i) any revision, waiver, amendment or modification of the Prior Interest or the indebtedness issued in respect thereto, (ii) any exercise or nonexercise of any right, remedy, power or privilege under or in respect of the Prior Interest or (iii) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding of, or effected by, the Lessee. The Lessee shall deliver a copy of this Subordinated Security Agreement to the Trustee and in doing so shall request the Trustee after Payment in Full to deliver to the Lessor any Collateral or Proceeds then held by the Trustee.

SECTION 6. Conflicting Interest. The Lessee

covenants with the Lessor that, except with respect to the Prior Interest, the Lessee will protect and defend the security interest of the Lessor granted hereby from and against all other liens, claims, encumbrances and other charges against or in respect of the Collateral or Proceeds in the manner and as provided in the Prior Interest.

SECTION 7. Remedies on Default. The Lessor shall have no rights to the Collateral or Proceeds (i) unless the Collateral is sold pursuant to the terms of the Prior Interest or (ii) until the obligations of the Lessee under the Prior Interest are satisfied and title to the Collateral vests in the Lessee. Subject to the foregoing and Section 5 hereof, if, upon the occurrence of an Event of Default or thereafter, the Collateral or any part thereof should be sold at public sale, the proceeds therefrom shall be applicable first to satisfy the obligations of the Lessee to the Trustee under the Prior Interest; second, to the extent any surplus of any such sale shall exist, to satisfy the Obligations of the Lessee to the Lessor; and third, to the extent any surplus of any such sale shall exist after the above-mentioned Obligations shall have been satisfied, to pay such surplus to the Lessee.

SECTION 8. Substitution of Collateral; Casualty Occurrences. (a) Prior to Payment in Full, the Lessee shall be permitted to substitute and replace the Collateral hereunder subject to the same terms and conditions contained in Section 5.06 of the Trust Agreement.

(b) After Payment in Full, upon the written request of the Lessee, the Lessor shall, at any time and from time to time, execute and deliver a release or releases assigning and transferring to the Lessee all of the right, title and interest of the Lessor in and to any Collateral; provided, however, that no unit of the Collateral shall be so released unless another unit of railroad equipment having a substantially equal fair market value at such time shall be simultaneously subjected to the terms of this Subordinated Security Agreement by means of a supplement hereto. At the time of the delivery of any request for a release pursuant to the preceding sentence, the Lessee shall deliver to the Lessor an Engineer's Certificate stating that each unit proposed to be subjected to the terms of this Subordinated Security Agreement has a fair market value substantially equal to or greater than that of each unit for which release is requested.

SECTION 9. Reports and Information. (a) Prior to Payment in Full, the Lessee shall deliver to the Lessor copies of each report required to be furnished pursuant to Section 5.08 of the Trust Agreement.



(b) On or before April 1 in each year, commencing with the calendar year following Payment in Full, the Lessee shall furnish to the Lessor an accurate statement setting forth as at the preceding December 31 the description and numbers for each unit of Collateral then subject to this Subordinated Security Agreement, and the description and numbers of each unit of Collateral that shall have suffered a Casualty Occurrence during the preceding calendar year and such other information regarding the condition of the Collateral as the Lessor may reasonably request. The Lessor and its agents and employees shall have the right, once each calendar year, to inspect the Lessee's records and information system regarding the location of each item of Collateral, and shall have the right to inspect the Lessee's premises where any item of Collateral is located for the purpose of inspecting such item, at all reasonable times during normal business hours upon prior written notice to the Lessee and subject to the Lessee's secrecy, security and safety regulations generally applicable to third parties regarding the Collateral involved; provided, however, that the Lessee shall not be obligated to interrupt the use of any unit in normal operations nor shall the Lessee be liable for any injury to, or the death of, any agent or employee of the Lessor incurred while exercising any such right to inspect the Collateral under the preceding provision of this sentence.

SECTION 10. Release of Collateral. Upon the earlier of (i) payment in full by the Lessee to the Lessor of the Casualty Value of any item of Property or (ii) the end of the Lease Term with respect to any item of Property, such item of Property shall be released from the security interest created by this Subordinated Security Agreement. Upon such release, the Lessor agrees to take such further actions, including the execution and delivery of amendments to Appendix A hereto, and to cause such amendments to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, as may be reasonably requested by the Lessee for the purpose of effectuating such release.

SECTION 11. General Agreements.

(a) The Lessee will cause this Subordinated Security Agreement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303.

(b) This Subordinated Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

(c) This Subordinated Security Agreement may be executed in several counterparts, such counterparts together constituting but one and the same instrument and it shall not be necessary that any counterpart be signed by both parties hereto so long as each party hereto shall have executed one counterpart hereof, in which case this Subordinated Security Agreement shall become effective upon delivery by both parties of a signed counterpart hereof to counsel for the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Subordinated Security Agreement to be duly executed by their duly authorized officers or other persons as of the date first above written.

TRAILER TRAIN COMPANY,

by

[Corporate Seal]

\_\_\_\_\_  
Title

Attest:

\_\_\_\_\_  
Title:

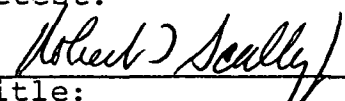
MELLON INTERNATIONAL LEASING  
COMPANY,

by

[Corporate Seal]

  
\_\_\_\_\_  
Title: VICE PRESIDENT

Attest:

  
\_\_\_\_\_  
Title:

Assistant Secretary

STATE OF )  
 ) ss.:  
COUNTY OF )

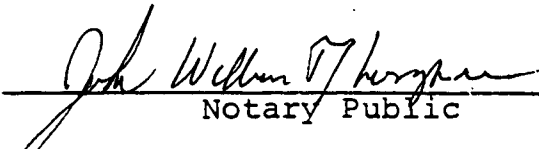
On this            day of November 1981, before me personally appeared           , to me personally known, who, being by me duly sworn, says that he is            of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

STATE OF *Pennsylvania* , )  
 ) ss.:  
COUNTY OF *Allegheny* , )

On this *9th* day of November 1981, before me personally appeared *Arthur Folsom Jr*, to me personally known, who, being by me duly sworn, says that he is *Vice President* of MELLON INTERNATIONAL LEASING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

JOHN WILLIAM THOMPSON, NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES JUNE 29, 1985  
Member, Pennsylvania Association of Notaries

Description of Property Subject to  
Subordinated Security Agreement\*

<u>Builder</u>	<u>Description</u>	<u>Car Numbers</u>
Thrall Car Manufacturing Company	68', 100-ton capacity, hydraulic draft gear, flush-deck flatcar equipped with bulkheads	82710 82714-82716 82722 82726 82730 82735-82737 82739-82759
ACF Industries, Inc.	188'2", 4-deck intermodal flatcar with single-axle trucks and 4 hitches	60000-60051 60053, 60062 60064-60066 60068 (Decks A-D)
ACF Industries, Inc.	188'2", 4-deck intermodal flatcar with single-axle trucks and 4 Hitches	60052, 60054-60061 60063, 60067 60069-60100 (Decks A-D)
Whitehead & Kales	147' 1/2", 3-deck articulated intermodal flatcar with standard trucks and 3 Hitches	110011 (Decks A-C)
Pullman Standard Division	195' 10 3/4", 4-deck intermodal flatcar with single-axle trucks and 4 Hitches	110012

---

\* This Appendix A includes only those items of Property actually transferred by the Lessee to the Lessor for Tax Purposes pursuant to the Agreement. In the event that (i) the items of Property subject to the Agreement are different than the items included in this Appendix A or (ii) a substitution or release of Collateral occurs pursuant to Sections 8 and 10, respectively, of this Subordinated Security Agreement, this Appendix A shall be amended to reflect such difference, substitution or release, as the case may be.